Entrepreneurship Projects

#9 The Operating Plan

**Objective**: To produce the Operating Plan.

**Background Info:**

**What is an Operating Plan and Why Have One?**

* Operating Plan (a.k.a. Business Operations Plan): section of a business plan that should outline and describe the day-to-day operations of a business. One of the key elements included is to describe how the products and/or services offered by the business will be produced and delivered. It allows businesses to analyze how much time will be devoted to other required daily tasks such as marketing and accounting practices.
* Operating Plan provides three key benefits to businesses:  
  + It requires the business to analyze and research how to produce products and/or services using the most cost-effective manner – maximizing profits.
  + It requires the business to analyze and research how to get goods and services to the customer using the most cost-effective manner – maximizing profits.
  + It requires businesses to effectively time manage each task that is required to keep the business running.

**The Five Categories Included in an Operating Plan:**

* ***Purchasing*** 
  + What supplies and materials do I need to produce my products/services?
  + Who are the best suppliers to provide the materials and supplies required for my business to produce the products/services? In other words, what suppliers provide the best prices, quality, and delivery time?

* ***Promotion*** 
  + What is the production time required to complete a customer order from placing the order to delivery?
* ***Sales & Marketing***
  + How much time each month will you spend on marketing/promoting your business?
* ***Accounting*** 
  + How will I keep accurate accounting records for my business?
  + How much time will it take to conduct accounting tasks for my business?

* ***Distribution*** 
  + How much time will it take me to deliver products/services to the customers?
  + How will I deliver the products/services?

## TASK #1: Operating Plan Worksheet

## Consider these factors when filling in your Template

## You do not have to fill out WS but it might be helpful.

**Instructions:** Using Shaun Decker’s Operating Plan as a model, answer the following questions to create your own Operating Plan for your business.

**I. PURCHASING**

1. What supplies and/or materials do you need to purchase to develop your products and/or services? What suppliers will you purchase them from? Type the supplies and/or materials and the suppliers in the table provided below. If necessary, add more rows to the table.

|  |  |
| --- | --- |
| Supplies/Materials | Supplier |
|  |  |
|  |  |
|  |  |
|  |  |

2. What is the supplier’s delivery turnaround time from the date an order is placed? Type the supplier and their turnaround time in the space provided below. If necessary, add more rows to the table.

|  |  |
| --- | --- |
| Supplier | Turnaround |
|  |  |
|  |  |
|  |  |
|  |  |

3. In the space provided below, explain why you have chosen to use these suppliers (price, delivery, quality, etc.).

**II. PRODUCTION**

1. Assuming you have all the required supplies and/or materials in stock, how long will it take you to produce your products and/or services? Type your answers in the table provided below. If necessary, add more rows to the table.

|  |  |
| --- | --- |
| Product/Service | Production Time |
|  |  |
|  |  |
|  |  |
|  |  |

**III. SALES AND MARKETING**

1. On average, how much time per month do you estimate you will spend on marketing and promoting your business? Explain in detail. Type your answer in the space provided below.

**IV. ACCOUNTING**

1. How will you keep accurate accounting records for your business? Type your answer in the space provided below.

2. Approximately how many hours per month do you expect to devote to accounting tasks required for your business? Type your answer in the space provided below.

**V. DISTRIBUTION**

1. How will you deliver your products and/or services to your customers? Type your answer in the space provided below.

2. How much time will it take to deliver the products and/or services to your customers? Type your answer in the space provided below.

**Saving Your Work:**

Save this as ***Project 9\_OperatingPlan***  in your “Business Plan” folder.

All future projects will be saved to this same folder – “Business Plan”

## Operating Plan TEMPLATE

**I. Purchasing**

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**II. Production**

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**III. Sales and Marketing**

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**IV. Accounting**

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**V. Distribution**

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***SAMPLE ~ EXAMPLE TEMPLATE***

